

*The Arguments and Reasons for and against  
Engrafting upon the BANK of England  
with Tallies, &c. As they were Debated in a  
late General Court of the said BANK,  
Considered, in a Letter to a Friend.* K

S I R,

**I** AM Favoured with yours, wherein you say you have the greatest part of your Fortune in the *Bank of England*, and therefore you desire my Thoughts, whether Engrafting upon the said *Bank* with all Tallies on Parliamentary-Funds, and one Third part or more Bank-Notes, Bills, or Money, will be for the Service of the Government and Interest of the present Proprietors of the *Bank*? Because you say the greatest part of the General Court on Monday the Third of January, seemed to you so willing to be Engrafted upon on those Conditions drawn up by the Committee, and then Read, and Agreed to by that General Court.

I shall first give you an Account of the Arguments and Reasons used by those Gentlemen that would have the *Bank* Engrafted upon with Tallies, Bank-Bills, or Notes; and then my Answers to those Arguments and Reasons, which I shall do with all the brevity and clearness I can.

First, They say the *Bank* will be thereby made capable to serve the Publick, and

Secondly, That it will be for the Interest and Advantage of the *Bank* to make good their first Argument or Proposition that the *Bank* will be thereby enabled to serve the Publick; They say, That the great Advantages made by the buying of Tallies hinders every Man that hath Money both from Lending it to the Government, and also keeps it out of Trade, as finding it more for his Profit, than by disposing of it in either of those other ways.

And therefore while Tallies are sold at this vast Discount, no Body will Lend their Money to the King; and but few will Employ it in Trade.

Both which great Evils, they say, will infallibly be remedied, if all Tallies now out on Parliamentary-Funds were sunk or lodged in the *Bank of England*; because then there would be no Tallies to be sold, and therefore People not having such Opportunities to lay out their Monies in Tallies would necessarily Lend it to the Government, employ it in Trade themselves, or Lend it to others that would so employ it.

I take this to be the strength and force of their Reasons to make good their first Proposition.

To which I answer, That if the *Bank of England* were in a condition to take in all those Tallies at *par*, and give the Owners Money for them as formerly, that then indeed it would have the same effect it formerly had, and what is now by some Persons supposed it will have.

But I think the method proposed is very different from that, for now we shall give the Owners of those Tallies no Money for them, nor any thing they can use instead of Money, only a proportionable Share of Bank-Stock; that by this means, they will be then as bare of Money as they were before they parted with their Tallies.

And if it be considered what hath been and is yet the greatest Reason why Men sell their Tallies at so great a loss to themselves and advantage to the Buyers, we shall find it was and is still the real want either of Money or Bank-Notes to pay their Debts, or carry on their respective Trades, together with the great number of Tallies, and Men that are in this want of Money or Notes.

And not because they believed those Tallies they had would never be paid, but that their Occasions would not permit them to keep them 'till they could be paid.

For it cannot be supposed that there are many People having Tallies, who have so ill an Opinion of Parliamentary-Funds, and the Care and Justice of those that are the proper Maintainers of their Rights.

Now suppose that such an Engraving as is already mention'd was resolv'd on, an Act of Parliament accordingly pass'd for it, and all those Millions in Tallies lodged in the Bank, pray how would this remedy the Evils we labour under, with relation to Credit, want of Loans to the King, and the carrying on of our Trade?

For tho' the Name will be changed, the Thing will not nor the Persons who had the Tallies.

The Tallies indeed will be no more theirs but the Banks, and so they will have no Tallies to sell, but instead of Tallies they will have Bank-Stock to sell, which they must now be forced to part with at any rate, as before they were with their Tallies.

For Changing Tallies into Bank-Stock, will neither supply nor lessen their Occasions for Money, but encrease them.

And then their want of Money being as pressing as before, they must use the same means for their supply they did before; that is, sell their Bank-Stock now, as before they did their Tallies.

And when there is as great a quantity of Bank-Stock to sell, as there were before of Bank-Stock, Bank-Notes and Tallies together, I see no reason why Bank-Stock will not be sold cheaper or to greater loss than Tallies have been.

Nay



Nay I conceive there will be far greater occasion to sell their Bank-Stock, than they had before to sell their Tallies.

Because it is proposed, That those that put their Tallies into the *Bank*, shall at the same time, together with their Tallies, pay in one third part in Bank-Bills or Notes.

Which Method of paying into the *Bank* one Third part in Bank-Bills or Notes, will unavoidably occasion to the New Subscribers a much greater want of Money, Bank-Bills, or Notes, than they were in before they parted with their Tallies; for when they had their Tallies, tho' they were useless in Trade, yet the Money, Bills, or Notes they had, enabled them in some measure to carry it on; but when that which perhaps is all the means they have left to drive their Trades with, shall be also sunk into the *Bank* and become useless to them; I cannot see but it will occasion a great Disorder, and put a terrible stop to our Trade.

Which as it is the Life of this Kingdom, so it ought to be regarded with all imaginable care and tenderness.

And on the other hand except 1200000 £ in Bank-Bills or Notes be paid into the *Bank* by the New Subscribers, it cannot in any measure answer the end aim'd at, which is immediately to restore the Credit of the *Bank*.

For the Subscribing of Tallies without 1200000 £ or near that Sum in Bank-Bills or Notes, will indeed sink the price of Stock, to the great detriment of the present Proprietors, and deprive them also of almost all the future Advantages they may reasonably expect from the Trade of the *Bank*, when it recovers its Credit again, but can neither bring their Bills or Notes into Credit, nor render them capable of Assisting the King with Loans. What will then be the Consequence?

It will certainly be this, That as their occasions for Money are grown more urgent, so their Necessities for selling must encrease proportionably.

The natural Effect will be this, that there being abundance of Stock to sell, and many Sellers, it will necessarily and exceedingly sink the price of it.

And when the price of Bank-Stock is sunk so low, that it will be more profitable to buy than Tallies have been heretofore. Will not every Monied Man think it for his Interest to lay out his Money in that as he did before in Tallies, rather than Lend it to the King, or employ it in Trade for a much less Advantage?

But further, This intended Engrafting will (as hath been hinted before) sink into the *Bank* at least Twelve hundred Thousand Pounds in Money, Bills, or Notes; the greatest part of which is now employ'd in Trade in and about this City: And it is apparent, that the Trade in this City could not be managed without the help of Bank-Bills and Notes, notwithstanding the Disesteem and Undervalue some People are pleased to put upon them. This is evident and demonstrable by the Bank-Books, where there is (as I am in-

form'd) every Week near Three hundred Thousand Pounds, transferr'd from one Account to another. So that it seems clear to me, That if all these Bills and Notes which now serve us in Trade, were taken out of Trade, and lodged in the Bank, and the Owners of those Bills and Notes had nothing useful in Trade in their room, as is evident they are not like to have, it would unavoidably, in my poor Opinion, occasion a great Disorder amongst us.

I would gladly be inform'd what we must drive our Trade with when all Tallies, Bank-Bills and Notes, and Goldsmiths Notes are sunk, and we have nothing left us but a very little Money, which will be then a dearer Commodity than ever we have yet seen it.

And when almost all the Personal Estates in the Kingdom are sunk, or turn'd into Bank-Stock, I fancy those that have Money may purchase Stock at any rate they please.

To what I have now said about Bank-Bills and Notes being sunk into the Bank it will probably be objected, That the Bank will issue out their Bills and Notes again: But then I would fain know, for what they will give them out? They will not give out their Bills for nothing, they will have Money or something equivalent for them; and if People have that to give them, then they may have their Bills or Notes.

But when all their Tallies, Bank-Bills and Notes are sunk I know not what they will have to give the Bank in Exchange for their Money, or for their Bills and Notes.

You will say, The Bank will have a great Revenue flowing into them Weekly; and with that Money they will discount Bills and Notes, and lend upon Pawns and Mortgages.

It is true, they may do so; but if that be all our help, our Trade that requires vast Sums must miserably suffer, languish and decay.

But, Sir, for my part I shall be for taking out my share of Principal and Interest, as it comes into the Bank, and not let it lie there to Trade with; and I am perswaded most Men will be of my Mind therein, for these two following Reasons.

First, The Profit the Bank can make cannot be great; and when that which it doth gain comes to be divided into so many Shares, as there will be then, there will not be one half *per Cent. per Annum* Profit; for which, no Man will think it worth his while to let his Money, or any part of it lie in the Bank. And,

Secondly, Every Body will be so necessitated for Money to carry on their Trades, that they will choose to employ it in Trade, rather than in the Bank to so little Advantage.

Now, Sir, if this Design for Engrafting should go on, and should miscarry either by Peoples declining to subscribe Three Millions and Six hundred thousand Pounds, by which Means, or by failure whereof all the Subscriptions short



of that Sum become void ; or else, that tho' it should be full Subscrib'd, yet if it should fail of answering the Ends aimed at : Then I say, in either of these Cases, the King will be disappointed, and the Credit and Trade of the Nation in as bad, or a worse Condition than they are in at present.

Because both the King and Parliament, depending solely on the good Success of this Project, will neglect to make other Provision to effect that which is expected from this Engrafting. What Consequences such a Disappointment may occasion, especially if the War continues, I tremble to think of.

And for these Reasons and many more that might be alledged, had I leisure to mention them ; I do conclude, That this intended Engrafting, or changing Tallies into Bank-Stock is not adviseable to be attempted ; because if it be Engrafted upon it will neither procure Loans to the King, Credit to the Nation, nor bring any more Money into Trade.

And if these Reasons be as convincing to others, as they are to me, it will be every good *English* Man's Interest as well as the Nations to prevent it, and continue the Bank of *England* upon the Foot it now stands.

I shall now consider the second Proposition, That such an Engrafting will be for the Advantage of the Bank ; by which they should mean the present Proprietors of the Bank, for otherwise the present Proprietors are not concern'd in the Proposition : No Body, I hope, expects they should project and contrive Advantages for other men, when those Advantages are so far prejudicial to themselves, as they are advantageous to others ; I mean to such as shall come in upon new Subscriptions.

Those Persons that say the Engrafting will be for the Interest and Advantage of the Bank, endeavour to make good their Assertions by these following Reasons.

First, That all their Bills and Notes will be brought in with the Tallies, and so at once help them out of Debt.

Secondly, As a Natural Consequence of the former, their Bills and Notes will then be *par* or equal to Money for the Payment of Debts, or Bills of Exchange.

Thirdly, That being once out of Debt, and their Bills or Notes equal with Money, they may begin to Establish a new and lasting Credit.

Fourthly, That the Bank cannot otherwise recover their Credit in many Years ; and that till their Bills or Notes go currant again as *par* with Money, the present Proprietors cannot expect any Dividend either of Profit or Interest.

Fifthly, That the Parliament will grant them more and greater Privileges, than this present Bank enjoys by their old Establishment.

Sixthly and Lastly, That in case they refuse to be Engrafted upon (then notwithstanding all their past and mighty Services done for the necessary support of the Government, and which only hath brought them into the Condition they

they are in at present) the Parliament will not shew them any Favour at all, but leave them to the Mercy of their Creditors and the Severity and Extremity of Law and Justice.

So that their Refusal will expose them to an immediate, unavoidable, and irrecoverable Destruction.

As to the first, That all their Bills and Notes will be brought, &c. It must be granted, provided Three Millions six hundred Thousand Pounds be subscribed, and at least one third part of it paid in Bank-Bills or Notes; for if all their Bills and Notes be brought into the Bank and Cancell'd, they will certainly be out of Debt.

As for the Second, That their Bills and Notes will then be *par*, &c. It must also be granted upon a Supposition of the Truth, and certainly of the first. But how long their Bills and Notes will continue to be *par*, or equal to Money, will be another Question, and is what I cannot determine. For that will depend much on the Managers of the Bank, the Loans they shall make, and the Funds and Securities on which they shall be made.

As for the Third, it is grounded upon the Two former, as being a natural Effect of them; and therefore I should grant this likewise if I had not seen a notorious Example to the contrary, and been made sensible of it by dear bought Experience.

It is well known, that till May last, the Bank of England Notes were not only esteemed equal to Money, but prefer'd much before it; and every one in this City when they sold any Goods, endeavoured to contract for Payment in Bank-Notes and not in Money: Nay, Bank-Bills were sold for Money at half *per Cent.* profit to the Seller; and every Body made use of their Friends and Interest to get their Money lodged in the Bank, and that for sundry Reasons.

As first, That Money was so diminish'd and adulterated, that none could Receive and Pay it without Trouble and Loss. And

Secondly, The Bank was esteem'd a secure Repository, not only upon account of their Credit, it had always had and preserv'd from its first Opening, but also for the great Reputation of the Managers of it, and likewise for its Fund, being settled by Act of Parliament, which is the greatest Security any *English* Man can have for his Property.

And Lastly, Because the Bank could not Lend the King any Moneys, but only upon Parliamentary-Funds, which every one might reasonably esteem as secure as his Freehold; and therefore could not be in danger of losing any part of that Money, they had so Lent, but more especially when they were careful not to Lend any Money upon Remote Funds, but such only as were given to come in a very short time; and they took in no Tallies upon any Fund beyond the Sum the Parliament gave it for, and by a Clause impowered the King to borrow.

I say,



I say, for these Reasons every one was willing to trust the Bank with their Money, and so their Bills, or Notes, became *par* or equal to Money.

Now if these Reasons have failed in this Instance, I can see no Cause why they may not also fail after the Bank is Engrafted upon: For I think no Man can expect, that the Bank will then be managed by Persons better qualified than the generality of the present Directors, either for their Skill, Honesty, Estates, or Affection to the Government.

The Bank then cannot expect a greater Credit than this hath had; nor can any pretend they shall have better Security, either for the Fund upon which it is Established or the Funds on which they shall Lend their Money, except they can fancy the Security of one Act of Parliament is not equal to the Security of another Act of Parliament, or the Act of another Parliament; and so imagine a binding force in one Act of Parliament, that is not in another; which, I suppose, is altogether impossible.

So that if the present Bank of England, from a flourishing State, be fallen into Discredit, and rendered incapable of discharging its Debts, notwithstanding all the good Qualities of its Managers, and Security of its Funds, People will have reason to fear this Bank, tho' Engrafted upon, and thereby out of Debt, may yet be liable to fall under the same Misfortune, and evil Circumstances.

Upon these Considerations, and many more that might be added, I cannot believe that Engrafting upon the Bank will render its new Credit so infallible and lasting as is pretended, and supposed in the third Proposition, above what it can be by continuing upon its present Foundation.

The Fourth is, That the Bank, upon the Foot it now stands, cannot recover its Credit in many Years, and that until their Bills and Notes be at *par*, the Proprietors cannot with Justice expect any Dividend, or Interest.

I shall first give you my Opinion of the latter part of this fourth Proposition: Because it will not require by far so much Consideration as the former part of it.

It may be said against this, That we have almost the Universal Practice of Men, for our Example to do the contrary: Are there not Thousands of Men that have Tallies, and receive Interest upon those Tallies, and yet decline paying their Debts, upon pretence that they were necessitated to put their Money into the Exchequer to be Re coined, and therefore cannot pay their Debts till the Exchequer hath repaid them their Principal; and tho' they receive Interest from the King, yet allow none to their Creditors.

Is it not also frequent for Merchants and Tradesmen to buy Goods with ready Money; nay, and Lend Money out upon Interest too, and yet at the same time delay paying others to whom they owe Money that is become due?

Are there not daily innumerable Instances of Men, that Sell their Money for Bank Notes for a Profit of Sixteen and Seventeen *per Cent.* and refuse to pay their just Debts (tho' long due) in any thing else than those Bank Notes they

they have with so much advantage purchased, altho' there were no Agreement at all to be paid in Bank-Notes?

Are there not abundance of Examples amongst Landed Men that receive the Rents of their Lands and Houses; and yet at the same time cannot, or will not pay their Debts?

I have only mentioned these things, to shew, that if the Bank should divide their Interest before they can pay their Debts, or their Notes are *par*; yet they would do no worse than most Men do amongst us at this Day, who have less reason for their Excuse than the Bank hath. Other Men give no Interest, but the Bank allows Interest to all Men that will change their Notes for sealed Bills till they are in a Capacity to pay off the Principal.

Some Gentlemen in the late General Court told us how Scandalous it was that the Bank could not pay their Debts, and how unjust it would be to their Creditors to make any Dividends of their Profits or Interests till their Notes were at *par*: Tho' in August last, when the Bank was under the very same Circumstances it is at present, they thought it no Crime to Lend Two hundred Thousand Pounds, but used all their Rhetorick to promote the Loan of it, which they then termed a Meritorious Act.

Now what difference there is between the Injustice of dividing our Interest, and the lending so great a Sum upon Interest, when we could not pay our Debts I am yet to learn.

Thus, when it is for their turn, it is no Injustice to Lend, but when another End is to be served it is Injustice to divide.

And here I must take notice to you, That the Bank did not lend those Sums, which have incapacitated them to pay their Debts, out of any lucre of profit to themselves, but meerly to serve the Necessities of the Government when by no other Means they could be supplied.

I confess, in my Judgment, no Man can justly divide, employ, or use his Money, or the Profits of it, or of his Lands, or Houses till he hath paid all such Debts as are due from him to his Creditors; because that Money, or Profits, or Rents, cannot properly be said to be his, but his Creditors, until such time as he hath paid them what they have to demand of him.

And for this reason, the Bank neither have, nor intend to divide their Interests and Profits till their Notes are at *par*: Tho' it is a very hard Case for such as have the greatest part of their Fortune in that Stock.

And now I shall proceed to consider of the former part of the fourth Proposition, *viz.* That the Bank cannot recover their Credit in many Years, without new Subscriptions.

This I take to be the knottiest Point in the Question; and therefore to come to a right Determination of this matter, it will be necessary that we first enquire into these following Particulars, *viz.* What the Bank owes; what is owing to the Bank; the Nature of the Debts due to and from the Bank; when the Debts due to the Bank are like to come in; what Money the Bank can call



call in from its Members, and the Assistance they can give it otherwise; and lastly, what reason they have to expect all possible favour and help from the Government.

First, The Bank did owe the Tenth of *November* last, as by an Account given into the House of Commons, the Sum of One Million and nine Hundred seventy five Thousand Pounds; but it did also appear by the same Account there was owing to it the same Sum, and above One Hundred and twenty five Thousand Pounds over: So that by that Account it is evident, they have more than will discharge all their Debts as soon as it comes in.

I shall therefore consider the Nature of the Debt they owe, which is 300000 Pounds to the *Dutch*, at five *per Cent*, Interest, the rest in Bank-Bills and Notes.

The Debt to the *Dutch* will not be due of a considerable time, and 'tis probable when it falls due, the *Dutch* will be willing to continue it longer; so that the Payment of that Debt is not like to trouble the Bank in several Years, the *Dutch* having for their Security Tallies to that Value.

This Debt of 300000 Pounds being deducted they owe but 1675000 Pounds, towards the Discharge whereof they have already since the Tenth of *November* paid a considerable Sum, and lessen'd that Debt near 100000 Pounds; and for Payment of the rest, they are calling in about 43000 Pounds due to them upon good Mortgages. The Interest that will be due upon their Tallies, and paid by *May* next, will be at least 70000 Pounds: They had lately in Cash and Forreign Bills of Exchange 110000 Pounds: They have upon the first of the Annuities, which will come in shortly, 140000 Pounds: They have due to them upon their Fund for the Year 1696, 100000 Pounds: They have 170000 Pounds on Coals and Culm, which its hoped will be speedily paid: They have 110000 Pounds on the Second Years Customs, which is daily coming in: They have on the Post-Office, and other Tallies, almost due 300000 Pounds: They want upon the last Tunnage 50000 Pounds; and then if they borrow of the Members ~~at~~ 20 *per Cent*. and not divide the 20 *per Cent*. or more gained, that will amount to 240000 Pounds: So that by this Estimate or Account, the Bank may be able in six or eight Months to pay all their Debts (that will be then due) to about 500000 Pounds.

And that Sum cannot burden them, whilst they can give out Sealed Bills with Interest for 1200000 Pounds.

Those Sealed Bills will be valued and hoarded up by every one when the Bank is in better Credit, which it will be when they are so near out of Debt, and especially while they continue to allow an Interest upon them at the Rate of 6 *per Cent. per Annum*; which, I presume, they will do 'till they are able fully to satisfy every Man that may have a Demand upon them.

And when the great Obligations they have laid upon the Government, by those Extraordinary and Seasonable Services, done at sundry times, and on several Occasions, for its Support and Preservation, are considered: No Man

will doubt of the Governments kindness to the Bank, and their readiness to favour and assist it all that is possible.

And if the Parliament should think fit to make provision for Payment of the Tallies upon the Land-Tax, upon some Fund that would come in speedily, the Bank would in a very short time, not only be in a Condition to pay all their Debts as demanded, but be also able to assist the King, and Trade with Loans on as moderate Terms, and to that degree they have formerly done.

By what I have already observed, it seems clear to me, that the Bank, as it now stands, may be able in less than a Year to bring their Bills and Notes to a *par*.

The Fifth is, That the Parliament will grant them more and greater Privileges than this present Bank enjoys by its old Establishment.

I cannot foretell what the Parliament will do; be sure they will act nothing but with great Wisdom and Justice. And therefore I am humbly of Opinion, That in Consideration of the Eminent Services this present Bank hath done to the Government, and by which only they are rendered unable to pay their Debts for the present, the Parliament will be willing to grant them any Privileges that may put them into a Condition to regain their Credit, and make them useful again to the Publick.

The further Privileges they desire are few, and such as will not prejudice any Body, at least not any considerable number of Men. As,

First, That no other Bank, or any other Constitution whatever, in the Nature of a Bank, be Erected or Established, permitted or allow'd within this Kingdom, during the Continuance of the Bank of *England*.

Secondly, That all Forreign Bills of Exchange payable in *London* be demanded at the Bank and not protested by any Notary in case of non-payment, unless first a Demand be made there.

Thirdly, That no Act of the Corporation shall forfeit the Interest of the Corporation, or the Interest of the Persons concern'd therein.

Fourthly, That the Continuance of the Bank be enlarged for the Space of a few Years, after the Determination of the present Corporation.

Fifthly, That the Altering, Counterfeiting, Forging all Bills, Bonds, Deeds, Wills, and all other Specialities of what sort soever, under Hand and Seal; and all Bills and Notes whatsoever, with or without Seal, made or given for the Payment of any Sum of Money, and the defacing, razing or altering any Indorsement on any such Bill or Note, be made Felony without Benefit of Clergy.

That further provision be made for the effectual preventing the Officers of the Exchequer, and all Officers and Receivers of the Revenue, from deviating, delaying, or obstructing the Course of the Payments into the Bank.

That the Estate and Interest of each Member in the Stock of the Corporation, may be made a Personal Estate.

There



There seems nothing hard or unreasonable in these Seven Articles, tho' perhaps some will make Objections against the Second; but when it is considered, that by that Article no Man will be obliged to trust the Bank with his Money against his Will; 'tis only the Notary's trouble to make a Demand there, and that it is no unusual thing for Forreign Bills of Exchange to be made payable at the House of such a Person, or in such a Place, there will appear little weight in any thing that can be said against it.

In *Holland* 'tis carried much higher, for there every one is oblig'd by a Law to pay his Bills in the Bank; but this the Bank of *England* doth not desire or offer at.

If the Parliament should think fit to grant these Priviledges to the present Bank, and His Majesty would be pleased to appoint some Branches of His Revenue or Taxes to pass through the Bank, I make no doubt, but it would immediately be in as full Credit as ever it hath been, and would soon be able to bring down the Price of Tallies, supply the King's Occasions, and discount Bills of Exchange and Notes for a moderate Interest, to the great Encouragement of Trade.

And I am of Opinion, that there is no other Method but this that will prove effectual to cure the Evils we at present labour under.

If there should be a large Subscription, as five or six Millions added to the present Stock, it will not only lessen the Price of Stock, by encreasing the Number of Sellers and Necessitous People, but make the Dividends of the Profits arising from the Trade of the Bank so very little and inconsiderable, that no Man in his Wits will let his share of the Income lie in the Bank to be used as a Stock there to Trade with one Hour if he can help it; but every one will agree as Money comes in upon their Funds, to receive every Man his share immediately; and so every Day as the Money is divided, the Security of the Banks Creditors will grow worse, and consequently its Credit less; for it is proposed, they shall have liberty to issue out Bills for the whole new Subscriptions; but when Divisions are daily made of the Principal and Interest, there will not remain a Fund and Security sufficient to answer those Bills.

Besides, when the Trade of a Bank is a profitable thing, the Members for their own Interest will at any time supply it with Loans to support the Credit; and the Managers who have usually great Shares in it will labour hard for the Interest of it, not so much for their Sallaries as the sake of their Stock: But as soon as it becomes an unprofitable thing, as it must needs be to the several Proprietors, when the Profits of it are to be divided into so many thousand parts, or upon so many Millions of Stock, no Man will think it for his advantage to hazard his Money there to support its Credit when it is so little to his own Benefit; and also it will then fall into Mercenary Hands, that will serve as Directors only for lucre of their Salleries, and other Advantages and Perquisits, such Men will hope to make of their Places: And how much a Bank so ma-

naged will be for the Interest of the other Proprietors I leave every Man to judge.

I cannot believe that the General Court did rightly understand how little those Priviledges annexed, as Conditions to our Answer to the second Question, did concern them; they were things only to be enjoyed by the Bank, when many more Millions were added to it, and consequently Sharers of the Profits of it; for there is not one Title in any of them for the particular Advantage of the present Adventurers, distinctly and abstractedly considered from the intended Subscribers: So that granting the Bank by so great an addition of Stock and Income, would make more advantage than the present Bank continued as it is could be able to do.

Yet the Profits to the present Proprietors of the Bank would be apparently diminished by letting in six times their number to be equal Sharers with them, besides the Addition of so much Stock must encrease the Sellers of it, and sink its Price to the apparent Loss of those now concerned.

Thus in my Opinion, by a mistaken Notion of the Thing, the General Court were moved so readily to give their Consent to be Engrafted upon by new Subscriptions of Tallies, &c. with these Conditions.

I shall come to consider the sixth and last Proposition, which indeed makes a terrible and frightful sound, and I have reason to believe there is nothing more in it:

The Parliament have given all possible Demonstration of their Zeal and Affection to His Majesty; and it was by their Advice that His Majesty engaged in this War with *France*, they promising to support him in it, which they have all along chearfully done: And can it be imagined that they will not have a great care and tenderness for the Bank for imitating their Example, by their continual Endeavours to supply His Majesty's Occasions with Money.

Indeed their Zeal for his Service hath been such, that purely for it they have extended their Credit even beyond the Bounds and Measures of common Prudence.

For when the King's Occasions for Money were pressing and urgent, and that after various Tryals and Endeavours they could not otherwise be supplied, the Bank out of an unparallel'd Affection to His Majesty, and Care for the Preservation of the Government, did not regard their own particular Safety and Interest, but Sacrificed both to the Publick Service.

And thus when they had agreed with the Commissioners of the Treasury to furnish the King with Credit in *Holland*, and to have Money to answer that Credit first paid into the Bank, the Commissioners of the Treasury not being able to give them the Money beforehand, either for want of Loans or deficiency of Funds. The Bank, tho' contrary to their Contract and Interest, did furnish them with Credit, and accepted of Tallies in lieu of Money, which the Commissioners promised they should in a very little time have Money for; so that they took those Tallies rather by way of Deposite than in full Satisfaction:



tion: And yet to this Day those Tallies which amounts to upward of 600000 Pounds, besides the 200000 Pounds on the Salt-Fund are none of them paid.

This is the true Cause of the Banks being so deeply in Debt, and so unable to pay it.

Now suppose the Bank had stiffly and peremptorily insisted upon their Contract, not to give them Credit till they had first paid them the Money, which the Commissioners of the Treasury could not possibly do, and that His Majesty had not carried the Army into the Field, or Maintained it there: Pray what would have become of us? How dreadful that would have been to every Wise and Good Man, I leave to the Suggestions of every Considerate Man's Thoughts.

Indeed when the Bank found His Majesty so necessitated for Money, they might (as all other great Lenders do) have made a Prey of the Necessities of the Government, by some very advantageous Terms for themselves, but that was as far from their Thoughts as their Practice; and they have hitherto kept themselves clean from Extortion and Bribery, the two great Plagues of any Kingdom.

I cannot tell for which of the good Actions and Services of the Bank, it must be so severely treated (as some Gentlemen that are earnest for the Engrafting would insinuate.) That it hath not been Mercenary, or study'd only its own Profit, is apparent, by declining to make all those Advantages that they had opportunity to do ever since they were a Corporation; for immediately after they opened the Bank, they discounted such Tallies for nothing, which just before others had 10 or more *per Cent.* for; and the same Advantage the Bank might have made, had they not endeavoured to restore the Credit of Tallies more than their own particular Gain.

Their discounting of near Tallies in a short time brought the remoter Tallies, that had been sold for 25 and 30 *per Cent.* loss to a *par*, and made the King's Pay equal or better than the best of His Subjects; insomuch that His Commissioners could buy any Stores 30 *per Cent.* cheaper than they could have done immediately before the Bank was set up. Trade likewise received a wonderful benefit from the Bank, by its discounting Forreign Bills of Exchange at 3 *per Cent.* for which Goldsmiths took just before 12 and 14: Every Man that had an Inland Bill or a Note, could have Money upon it at 4  $\frac{1}{2}$  *per Cent.* every Man could have Money upon Pawns at 5 *per Cent.* and less; they also supply'd many Gentleman's Occasions with Money upon Mortgages at 5 *per Cent.* and would have done more that way had not the Publick wanted so great Loans, which were thought more needful to be supplied than private Persons.

Now after all these and many other extraordinary and seasonable Services done by the Bank, both for the Publick and particular Persons, and not one Crime

Crime proved upon them, it cannot enter into any Man's Thoughts, that the Parliament which is composed of the Noblest, Wifest and Justest Persons of the Kingdom will not only shew no kindness to it but do something to its prejudice, in case the Members of the Bank do not entirely submit to be Engrafted upon on any Condition the Parliament shall think fit, notwithstanding the present Proprietors believe such Engrafting will not answer the main Endaimed at, but be apparently prejudicial to their Interest.

And even those Persons who are no Friends to the Bank, must needs acknowledge that the Inability it now labours under hath been brought upon it only by those Loans and Services for which they have merited the greatest Favour from the Government.

And that others were of this Opinion as well as my self, I remember in a Speech made by a Gentleman in a General Court held in *August* last, when the Court were desired to Lend 200000 Pounds upon the Salt-Act (at a time when we could not pay our Debts, and were almost torn in pieces for Money, after some other Persons had endeavoured to move the Court to the Loan upon account of the extraordinary Necessities of the King, and the impossibility of being otherwise supplied) he told us, that by our giving that most seasonable Assistance to His Majesty we should lay an Eternal Obligation on His Majesty, the whole Court and Government; and oblige not only the present but all succeeding Parliaments, to do for us more than we could ask or think.

This and other fine Speeches, to the same effect, was so charming to the General Court, that they presently and unanimously Voted to Lend what was desired; forgetting or not considering, that it was equal Injustice to their Creditors to Lend Money as to divide their Interest before they could pay their Debts: But some Gentlemen thought it was not adviseable at that time to put them in mind of it, tho' since they have with a great deal of warmth laboured to terrifie the General Court with it.

From what hath been said of our Services and Sufferings for the Publick Good, I may reasonably conclude, the Parliament will not do any thing to the Prejudice of the present Proprietors, but rather grant them such Priviledges and Advantages as may restore them to their former State and Credit again; for otherwise both the present and all future Banks will be discouraged from serving the Publick at the bare Interest allowed by the Acts, as the Bank of *England* hath ever done; tho' it is well known many private Persons have had very large Allowances, over and above the Interest, when the Government was in want of Money.

But if after all the Parliament shall resolve to Engraft upon us, and thereby take from the present Members the greatest part of the Profits that may hereafter arise from the Trade of the Bank, by dividing that amongst many that is now divided amongst few; I should think it reasonable the present Proprietors should have a Consideration or Allowance from the Nation; for whose Advantage they have already suffered so much, and must suffer more by an Engrafting.

It



It is known to all, as I have already observ'd, that when this Bank was first Establish'd, Tallies upon Parliamentary-Funds were sold at a great Discount, some at 25 and 30 *per Cent.* that Goldsmiths had 12 and 14 *per Cent.* for discounting Forreign Bills of Exchange, and that whoever had Money at that time could make of it almost what advantage he pleased; so that no Body would have been concern'd in Bank-Stock for the bare Interest of 8 *per Cent.* and upon Publick Security, when he might at the same time have as good Security, the same Interest, and 25 and 30 *per Cent.* Discount or Advantage over and above.

No, it was not the 8 *per Cent.* that induced any Body to Subscribe into the Bank, but it was the Advantages they reasonably hoped to reap over and above their Interest by the Priviledges granted to them by their Charter, and the Act of Parliament confirming that Charter.

And we found they had reason for their hopes, for that in a little time after the Bank was Establish'd they obtain'd a mighty Credit, and made considerable Profits, besides the 8 *per Cent.* Interest, tho' they made no Advantage by discounting of Tallies, and so brought them to *par*, and the Discount of Forreign Bills of Exchange from 14 to 3 *per Cent.*

Those great Profits, and a just expectation of their Continuance and Increase, made every Body desirous to buy Bank-Stock; and so in 18 Months after it was Establish'd, Stock was sold at near 110 *per Cent.* altho' at that time 60 *per Cent.* was only paid in upon the Subscriptions. This wonderful Advance occasioned the setting up of two other Banks, and made the Bank of England many Enemies out of Envy; for no Body but Goldsmiths, Usurers and Extortioners were prejudiced by it, nor could give any Reasons against it, but that it spoiled their Trades.

Now that this Establishment was very valuable, and by every Body esteem'd so, is evident by what I have already observ'd to you; and I see no reason to doubt but this Bank, if it may be continued upon its present Foot (and have that Favour and Encouragement from the Government, as every Man must acknowledge, it hath abundantly deserv'd, if the Preservation of one Person by another can lay any Obligation upon the Person preserv'd) will be able in a very little time to discharge all its Debts, and consequently regain its former Credit and Esteem, and so make as great Advantages, and its Stock be as valuable as it hath been at any time heretofore.

We have an Establishment by Charter and an Act of Parliament, and we have all seen the admirable good Effects of it, and those had still continued, had we not out of our unbounded Zeal and Affection to serve His Majesty's most urgent and pressing Occasions, and to support the Government, stretch'd our Credit to a degree, that could not consist with any measure of Prudence, nor could the Directors (in my Opinion) answer it to their Members, had it been for any less Occasion than the Preservation of the Kingdom.

Now

Now that we should part with the Profits of this Establishment to others which is our Right and Property, and hath been, and is like to be again, so very beneficial to us, without the least Consideration allowed us for it, after we have purchased it with so much Money, run so great a hazard, whether it would answer our End or not, and taken so much Care and Pains to bring it to this Method and Form: I say, after all this to give it up to others, without the least Consideration or Advantage to our selves, is what I cannot understand nor will ever give my Consent to.

Altho' at present we are under some discouragement, yet I think we are not weary of our Establishment, nor desirous to part with it but upon good Consideration to our selves. If we are, then indeed it will be Prudence to make the Admission of others as easie and inviting as we can.

If others will not Subscribe to us, but to their Advantage and our Loss, I believe every Member will think it for his Interest to remain as he is.

What the Parliament shall think fit to do with us we must submit to, but let us not unconstrain'd give our Consent, nor propose things disadvantageous to our selves.

Some say, that a Tally of 100 Pounds bought perhaps for 50 Pounds or less, is as good as 100 Pounds in Bank-Stock.

I cannot hinder any Man's Opinion, but I must say it is not mine, and if they have that good Opinion of their Tallies, let them keep them and I will keep my Stock because I esteem it better; for tho' Tallies may bring in the same Interest with Bank-Stock, yet there can be no other Advantage made with Tallies, which there hath been and may be again with Bank-Stock.

The Nature of these Arguments hath drawn this Discourse to a greater length than intended, and run it beyond the Bounds of an ordinary Letter: I have done it in Obedience to your Commands, therefore you must be answerable for all the Errors and Failings therein. I submit all to your better Judgment, and am

S I R,

*Your Humble Servant.*

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F I N I S.



